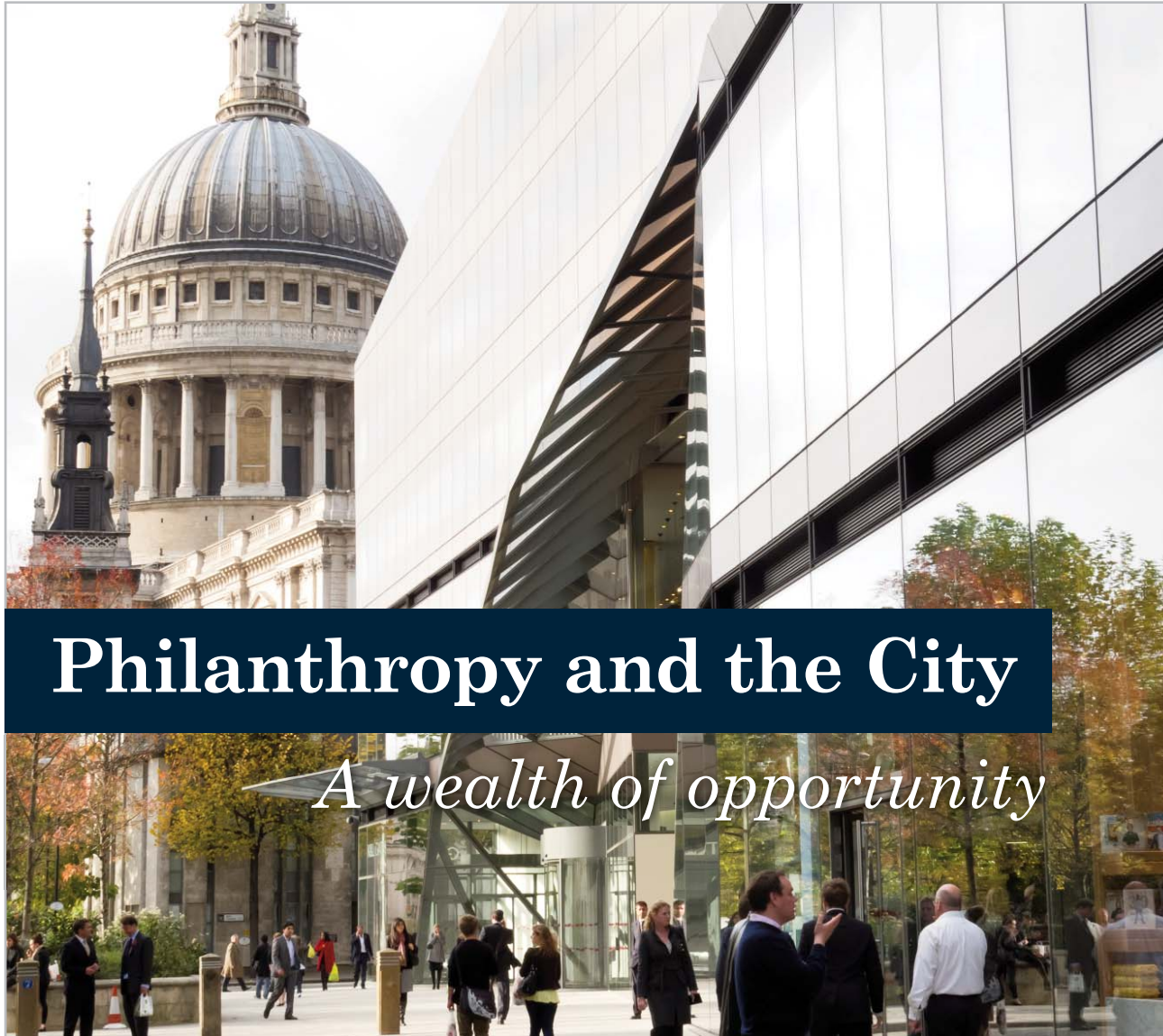


philanthropy|uk:quarterly *inspiring giving*



Philanthropy and the City

A wealth of opportunity

The e-magazine for all those interested in the development of philanthropy

INSIDE:

CityPhilanthropy

A new initiative to promote giving from PhilanthropyUK

A capital idea

London as a global centre for philanthropy

A millennium of giving

The Livery Companies' philanthropy in focus

My philanthropic journey

Charlie Green, a founder of the Private Equity Foundation

Book review

The Business of Giving

welcome

In this issue of Philanthropy UK magazine, we take a timely look at the state of philanthropy in a City under scrutiny. The City of London is home to a 1000-year-old tradition of philanthropy that is very much alive today. Yet the notion that the City is a force for good risks being drowned out in some quarters by the sound of attacks on its reputation, battered by the banking crisis and the ensuing debate that rages between the public, politicians and protestors over how we should pick up the pieces.

We also know that corporately and through individual donations the City annually gives millions of pounds worth of time, money, talent and skills to addressing disadvantage, poverty and inequity or supporting the arts and our national heritage. Of course, the City itself knows it is capable of giving much more. Greater corporate leadership and encouraging more career philanthropy are thought to be key in creating more individual City



philanthropists – a must if capitalism is to do its job well according to City leaders. In this issue we offer sterling examples of corporate and individual philanthropy, hear what giving can give back to both companies and individuals, as well as discover a new appetite for philanthropy among a younger generation of City professionals.

Philanthropy UK, in association with City Bridge Trust, the City of London Corporation's grant-giving arm, is also proud to announce a new initiative, based on what we have discovered, to help support City workers in becoming philanthropists. On page 17 you can learn more about CityPhilanthropy and the 'wealth of opportunity' it aims to bring to City executives. We hope you enjoy this edition and welcome your feedback by emailing cheryl@philanthropyuk.org.

Best wishes,

A handwritten signature in black ink that reads "Cheryl". The signature is fluid and cursive.

Cheryl Chapman
Managing Editor

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The purpose of the magazine is to disseminate information about new developments in philanthropy. To submit an article for consideration, please contact the Editor at editor@philanthropyuk.org.

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Philanthropy UK aims to inspire new giving by providing free and impartial advice to aspiring philanthropists who want to give effectively. An initiative of the Association of Charitable Foundations, we also publish *A Guide to Giving*, the essential handbook for philanthropists. www.philanthropyuk.org

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Philanthropy and the City:

A wealth of opportunity

by Cheryl Chapman

The City of London's financial services industry has suffered severe collateral damage from the banking crisis and the dramas that have unfolded since. Accusations of 'fat cat' 'casino' bankers earning sky scraper salaries and pocketing bumper bonuses while the nation picks up the tab has seen the City's stock tumble in the eyes of the public and the press.

Yet, there is a flip side: there is a sizeable City constituency passionately committed to addressing social and economic need and supporting the nation's cultural heritage. It does so through corporate philanthropy, volunteering, payroll giving and major donations of money, shares, professional skills and talents.

However, talking about City-based philanthropy is comparable to Dracula announcing he donates blood – it's met with cynicism, derision and outrage. Head of community affairs for Europe, Middle East and Africa at Swiss Bank UBS, Nick Wright, explains.

"The prevailing view of the financial sector is hardly positive. In the bigger and wider conversation about bankers and the financial services, and the news that fills the major sections of newspapers on a daily basis, the message about what the City does in terms of corporate social responsibility (CSR) and philanthropically gets drowned out." Yet this is the man in charge of the Swiss Bank's vibrant and creative programme of community schemes that focus on enterprise and education in Hackney and enjoy a 25% take up by the firm's employees. Its pay roll giving scheme introduced in 1995 matches giving up to £1200 per employee a year: *"But in the public's eyes it's never enough – you can't win the*

argument and that's why the City tends not to talk about what it does," says Wright.

Carolyn Housman, of Heart of the City (www.theheartofthecity.com), an organisation that supports hundreds of City businesses in developing CSR strategies of which philanthropy is a part, agrees that the public perception of bankers and their ilk makes it difficult to talk about the good work being done both individually and corporately. *"Though there is much philanthropic activity in the City, firms feel the public will not be receptive to the message. The public only views the figure given away as a percentage of pre-tax profit and it may not look huge compared to those sums – but it is not as simple as that,"* she says.

The public fury directed at the financial services sector in recent months has led to a questioning of the very notion of capitalism and the role the City and its high earners should play in creating a more equitable and sustainable society. It has left us all asking what is fair when it comes to pay differentials?

City professionals themselves believe that City bond traders and stock brokers are paid too much, teachers are paid too little and there is too great a gap between rich



Jonathan Dimbleby pitches to donors as a charity sponsor at a celebrity themed event at The Funding Network, held at Mansion House in September 2011.

Find out more at www.thefundingnetwork.org

and poor in the UK, according to a 2011 survey¹ carried out by ComRes on behalf of St Paul's Institute, that exists to engage the financial world with questions of morality and ethics.

To give some scale to that inequity, in the UK, the money earned by the poorest 10th fell by 12% between 1999 and 2009, while the money made by the richest 10th rose by 37%. The Gini coefficient, which measures income inequality with 0 representing perfect equality, climbed in this country from 26 in 1979 to 40 in 2009.

Compare that with the figures on philanthropy: only 56% of British adults currently give to charity in an average month and people earning over £200,000 per year give, on average, £2 to charity for every £1,000 that they earn; 4% of the British workforce participates in a payroll

giving scheme and less than 1% of UK employers operate an active scheme. And we know that poorer people give considerably more as a proportion of their income than the wealthy do.

The conclusion is the City, where much of the UK's wealth is concentrated, could do more.

As *Give and Let Give*, a key 2007 report from the Policy Exchange,² concludes: "*Giving, in terms of personal time, skills and money, are not commensurate with individual wealth creation in the City over the past 15 years.*"

It is impossible to put figures on the City's philanthropic contribution owing to a lack of coherent data, the difficulty of attributing giving by global firms to one geographical area and the preferred anonymity of many donors. However, a 2010 report published by the City of

London Corporation³ calculates that in 2009 FPBS firms are estimated to have made community investments in UK-based projects worth £519m, delivering roughly £820m of economic and social impacts, and £1.58 worth of impacts for every £1 donated.

Through the ages the City has committed billions of pounds worth of philanthropy to addressing the causes on its doorstep, nationally and internationally. The City's rich tradition of corporate and individual giving goes back centuries to the Livery Companies of the early middle ages, who in the last 15 years is estimated to have contributed £1bn alone (see page 21). It continues through the hey-day of Victorian philanthropy fuelled by the new wealth of the Industrial Revolution, to the strategic corporate and individual philanthropy of today.

The 800-year old City Bridge Trust, whose funds were built from the donations to and income from the Old London Bridge and whose sole trustee is the City of London Corporation, grants more than £15m a year to causes across Greater London (see page 19).

While the criticism levelled at the rampant 'greed is good' mentality that exists in parts of the City is understandable, philanthropy and community service is very much part of the same City – more importantly, there is an opportunity to extend it.

There is a growing acceptance that acting in the interests of the wider community is important for a well-

¹ Value and Values: Perceptions of Ethics in the City Today, published by St Paul's Institute, November 2011

² *Give and Let Give, Building a culture of philanthropy in the financial services industry*, Dr Rob John, Rhodri Davies and Louisa Mitchell Policy Exchange, 2007

³ The Impact of City Businesses in Addressing Social Disadvantage: 2010 Update, prepared for the City of London Corporation by Oxford Economics, November 2010

Fred Mulder, founder and past chairman of The Funding Network, that brings donors together in a social setting to give to charity, talks to guests at an event held at GLA in September. Find out more at www.thefundingnetwork.org

functioning society; but perhaps more motivating for corporations is the realisation that it can pay measurable dividends to businesses themselves.

The business case for corporate philanthropy

The driving force behind corporate philanthropy today is less about altruism and more about the bottom line; enlightened businesses have rediscovered the 19th Century Quaker belief that being socially responsible makes good business sense.

Former Lord Mayor of the City of London Nick Anstee is one of many extolling the benefits of corporate giving: *“The mark of a successful city is not only its economic prosperity, but also its social contribution; this should be a fundamental part of the calculation of a city’s success. Although the climate for business is tough, giving staff time to get involved in corporate community involvement is clearly a good investment – it pays dividends for the community, for staff and organisations alike.”*

Companies are increasingly recognising the value of strategically aligning their corporate community programmes with their business goals.

Large companies are focusing more on in-kind donations, which fit their own business objectives, according to a report by Deloitte⁴, the business advisory firm.



The report says factors being taken into account include the need to improve employee retention, attracting new markets and enhancing reputation.

Nick Wright, of UBS, knows first-hand the benefits such schemes deliver to a company and also to employees.

“CSR is a key factor in recruitment and retention. For today’s graduates it can be the deal breaker when considering companies offering roughly the same packages, as the banking sector does.”

UBS has also identified that volunteering may deliver tangible career benefits, says Wright. By comparing the career performance of 250 of its volunteers against non-volunteers *“we found that volunteers significantly out-performed against non-volunteers. Though we can’t say there*

was a causal link it is likely that those who volunteered had developed the soft skills such as teambuilding, listening, leadership and being more collaborative, that made them better management material” he explains.

Perhaps more important than employees’ desires or the realisation that companies benefit from philanthropy, is the demand from customers for corporates to act in the interest of society, particularly in the aftermath of the banking crisis. Former chairman of Lloyds Bank, Victor Blank, wrote in a Telegraph article⁵ calling for a new philanthropy for the 21st Century: *“Businesses have a strong incentive to get involved, not just because of altruism or to rehabilitate themselves after the crunch, but because customers are demanding responsible corporate citizenship.*

⁴ More than just giving: Analysis of corporate responsibility across UK firms, 2011, Deloitte LLP <http://www.deloitte.com/assets/Dcom-UnitedKingdom/Local%20Assets/Documents/Industries/GPS/uk-gps-more-than-just-giving.pdf>

⁵ We need a new philanthropy for the 21st century, The Telegraph, January 22, 2011

Case study: Rachael Dove

Former Sydney-based Man Group executive Rachael Dove, 31, began her giving career in her twenties, but it was being raised in a home where helping others was the norm that made philanthropy such a natural part of her life.

“We lived in a small Suffolk village where there was a sense of community and where my mum and gran were both very involved in charity and public life.”

Now back in the UK and director of London-based Miller Philanthropy, a grant-making foundation (www.millerphilanthropy.com) Rachael explains how she found her ‘cause’ atop a bicycle in Cambodia.

“Seeing small children forced to beg to survive was awful and I knew I wanted to do something practical and purposeful.”

It led to her volunteering at Cambodia’s Sunrise Children’s Village orphanage, helping co-ordinate and find funding for the children of the orphanage to visit Australia to sing at Sydney Opera House, and raising 45,000 AUD (£30,360) for the orphanage through a 400km cycling challenge in 2007 in which she led a group of 14 women.

While employed at Man Investments in Sydney between 2006 and 2011 she supported other Cambodia linked charities, volunteered through the company’s



CSR scheme to help children in kinship care that had been abandoned or orphaned by parental illicit drug use and ran the company’s Foundation when it set up in 2010.

Though Rachael undertook her charitable work for authentic reasons she says she feels it has given her so much back. *“It has been an enriching experience and given me purpose and perspectives that I wouldn’t have been able to gain in any other way. Ultimately it has led to a career in philanthropy.”*

“It is always my charitable activities that raise the most interest in job interviews and I think those experiences have helped set me apart from other applicants. Volunteering is thoroughly developmental. However in a ‘long hours’ culture – such as the City in London – it is difficult to find the time and that’s why CSR programmes where you can take an hour out of a day to volunteer are so important.”

“Programmes of employee engagement, where companies make time available for their employees, combined with enhanced philanthropic giving, can make massive improvements to society and, ultimately, benefit the bottom line also.”

“As companies look to their future in a post-credit crunch era, perhaps it is time to rewrite the old proverb and adopt the motto that Charity Begins at Work,” says Blank.

Sir Ronald Cohen, the father of private equity investment and more recently social investment in the UK and one of the UK’s most politically-connected financiers, goes further. He says ‘giving back’ to society is more than a business benefit; rather it is a crucial component of capitalism. He makes the point in the *Give and Let Give* report, that took a forensic look at how the financial services industry could become more philanthropic: *“... many City people do not today realise early enough the need to put something back if the system is to operate smoothly”*.

Cohen’s comments at the time were controversial, but turned out to be prophetic.

He feared that a widening gap between rich and poor, especially in the same neighbourhoods, would lead to social tension: *“People haven’t quite understood that the system that enables entrepreneurial societies to thrive leads to social consequences that the market does not take care of. It’s great to talk of the economy’s growth, but you*

Useful organisations

80,000 Hours

80,000 Hours is a community whose members focus their careers on helping others by campaigning, inspiring others, researching or becoming professional philanthropists.

<http://80000hours.org/>

Business in the Community

A business-led charity focused on promoting responsible business practice. Its membership of 850 companies help to transform communities by tackling key social and environmental issues and in doing so, transform themselves.

www.bitc.org.uk

City Action

City Action, backed by the City of London Corporation, is a free volunteer matchmaking service for businesses based in the Square Mile. It supports City businesses looking to establish or develop employee volunteering programmes through a range of services including a bespoke volunteer matchmaking service with community organisations in the City-fringe boroughs.

www.city-action.org

CITY.COMM

CITY.COMM is the umbrella organisation for the City of London's Third Sector, providing practical support to frontline organisations such as information, training and development advice.

It helps organisations work together more effectively, and facilitate their involvement in the City's policy planning.

www.citycomm.org.uk

Sir Peter Lampl, who worked in equity banking mainly in the US, was shocked by what he saw when he returned to the UK: "In Britain, if you are born poor, your education reflects that fact and you are likely to remain poor." It led him to setting up The Sutton Trust, supporting projects that provide educational opportunities for young people from non-privileged backgrounds.

do have to worry about what's happening at the extremes. The divergence of the rich and the poor creates an unstable situation. And I am interested in avoiding a situation where people get so far left behind that they are desperate, they don't mind overturning the applecart."

Last summer, that applecart was over-turned as anti-capitalist demonstrators took to the streets and looted many city-centre shops while others took up residence outside St Paul's. It has led businesses to accept they have an important role to play in creating a more equitable society.

Individual giving needs corporate leadership

The *Give and Let Give* report consistently makes the important link between corporate and individual giving, highlighting the leadership role companies can play in directing a cultural change among employees.

"Many companies fill the role of second home and second family for many financial sector professionals given the long working hours, and have a critical role to play. They can connect staff with causes or raise the profile of philanthropic role models, and they can provide access to infrastructure to make it easier to give," it says.



It urges companies to use their existing internal frameworks to build up social responsibility among staff and encourage employees at all levels to engage in philanthropy. It suggests 'seeing is believing' experiences at an early stage, and mentoring or giving infrastructure at later stage and matched giving schemes.

Michael Hintze, former Goldman Sachs banker and a major philanthropist, says: *"I have always given money, all the way through. Now the money being given is a lot more spectacular, but it is the give early, give often approach that is important.*

"However, companies should provide opportunities for inspiration and access to infrastructure at all career stages, so that potential philanthropists already near the

Useful organisations

Lord Mayor's Dragon Awards

As part of his responsibilities, as elected head of the City of London Corporation, the Lord Mayor oversees the annual Dragon Awards scheme which celebrates Community Engagement programmes. It recognises businesses and public offices that go above and beyond their core work to significantly impact the regeneration of their local communities. The website contains information on how to apply and many case studies.

www.dragonawards.org.uk

Giving What We Can

A website committed to helping more people become donors, based on two simple ideas

- Giving away a significant portion of one's income is easier than most people think.
- Giving to the most cost-effective charities massively increases the power of one's donations.

It urges people to make a pledge to give 10% of their income for the rest of their lives.

www.givingwhatwecan.org

ELBA

ELBA (East London Business Alliance) creates possibilities in East London by connecting business to local people, alongside public and community partners, to enable social, economic and infrastructure change.

www.elba-1.org.uk



Donors gather at GLA in the City at a giving event created by The Funding Network, the organisation that brings charities and donors together Dragon's Den style. Find out more at www.thefundingnetwork.org

top of their career who were not encouraged early can catch up fast and act as leaders in defining the long-term philanthropy culture," he says.

As a City executive says in the Give and Let Give report: "Within the culture of the companies, it should be emphasised that someone who makes a commitment to spend some time on charitable work will not jeopardise their career; in fact they will become a more rounded person, they will engage more in their community and they'll be an ambassador for their company. I think there should be more encouragement and support broadly to do that."

Why bankers make good philanthropists

The Give and Let Give research findings provide case studies to act as motivational tools and inform recommendations on how to build a culture of philanthropy *"that inspires financial sector industry individuals to stretch their means and their minds for philanthropy."*

The studies give fascinating insight into the individual giving by many of the 'Citerati' – Man Group's Stanley Fink; ex-investment banker and outgoing CEO of Marie Curie

Cancer Care Thomas Hughes-Hallett; SVG Capital's chairman Nick Ferguson; Nicola Horlick, founder of Bramdean Asset Management, and Goldman Sachs' Jim O'Neil reveal the joy they have had in applying their business minds and skills to philanthropy to make a difference.

Some have been inspired to set up innovative organisations that use their skills to maximise the creation or distribution of philanthropic wealth.

The alignment between the skills needed to succeed in philanthropy and in finance is one of the main reasons the City is targeted by the report.

The Give and Let Give report's authors say: *"Philanthropy is another form of finance – with the added complexity of social values. The skills of today's financiers and entrepreneurs are vital to the development of a philanthropic capital market."*

"Philanthropy, including social investment, requires the infrastructure and expertise seen in other financial markets if it is to develop into a financing sector in its own right and FSI professionals possess the social and financial capital to drive that development."

Useful organisations

Heart of the City

Heart of the City provides a free bespoke programme of support to businesses developing or expanding their Corporate Social Responsibility (CSR) programmes, regardless of their size, sector or experience. Joining the programme entitles businesses to attend free CSR workshops, access a range of materials designed to help develop and communicate CSR programmes, and the opportunity to join a friendly and professional network of contacts.

www.theheartofthecity.com

St Paul's Institute

Located within the City of London, St Paul's Institute seeks to foster an informed Christian response to the most urgent ethical and spiritual issues of our times: financial integrity, economic theory, and the meaning of the common good.

www.stpaulsinstitute.org.uk

Young Philanthropy

A new initiative to introduce young professionals to a career of giving and a future as leading philanthropists.

www.YoungPhilanthropy.org.uk (see page 13)



The Hackney Pirates is an innovative education project developing literacy and creativity in young people, by giving them one to one attention in an unconventional learning environment, funded through donations from individuals, foundations and companies.

Courtesy of The Hackney Pirates

Indeed the report urges City professionals and other business leaders to view philanthropy much like a career, “but with no retirement date, and to aspire to be leaders in the development of a British philanthropic capital market”.

It suggests: “Although different to a professional career, it can be considered in a similar light – an individual is motivated to start on a journey and builds up to a crescendo depending on career development, age and wealth creation.”

Sir Peter Lampl, who made his wealth in private equity before founding The Sutton Trust to improve the educational opportunities of young people from non-privileged backgrounds, learned from his time in the US how giving even affected career advancement: “I had a

slightly British attitude to giving at that time and said ‘Why should I give money away?’ but it became fairly apparent that if you didn’t you would stand out, and that might affect your career prospects quite frankly, so everyone did it.

“While advancing your prospects for promotion might not be the purest motive for philanthropy, it does at least provide a powerful incentive to start the habit of giving in the early stages of a career – the more so if a company introduces its professionals to a particular cause at the same time. The latter is critical for motivation and financial services professionals need compelling stories about philanthropy in order to be encouraged to give and to give more. The industry needs to see philanthropy work successfully in the lives of those it respects professionally.”

Lord Mayor's Dragon Awards

The Lord Mayor's Dragon Awards founded in 1987 by the then Lord Mayor, Sir David Rowe-Hame, showcase sterling examples of community involvement each year.

Since then over 130 Dragon Awards, based on the dragons that have guarded the gates to the City of London for centuries, have been awarded.

The 2011 winners ranged from banking giant Bank of America Merrill Lynch, for its Tower Hamlets scheme to develop business awareness and financial literacy of 12-15-year olds in the area, to smaller organisations such as Lakehouse who created training and employment for disadvantaged individuals through their 'Building Lives Training Academy'.

Catlin Underwriting Agencies Ltd won the 'Heart of the City Award' for its work with St Paul's Way Trust School in Hackney. Recognising that the school was achieving some of the most disappointing examination

results in the area, Catlin Underwriting looked to develop a partnership opportunity with them and, in months, St Paul's Way was transformed by skilled volunteers across a number of levels – from receptionist training to senior level representatives on the governing body – to become one of the area's most prized local schools.

The 2011 Dragon Awards entrants alone have created over 5,000 work opportunities in the capital and contributed over 12,500 days of volunteering.

To find out more about the City of London backed scheme, and apply for an Award visit www.dragonawards.org.uk



Actions towards a more philanthropic City

Give and Let Give draws many conclusions in embedding a culture of giving in the City.

Among them it says 'white label' charitable accounts fed through payroll giving accounts would offer a major boost to levels of giving. It is a recommendation that was picked up by the independent 2010-11 Philanthropy Review, convened by ex-City banker and philanthropist Tom Hughes-Hallett (see page 14), to take a fresh look at supporting society through better giving.

In its study, Charity Bank Accounts: *The Opportunity for*

*UK Retail Banks*⁶, it found that over one fifth of donors and 18% of affluent and High Net Worth Individuals (HNWI) would open a charity bank account. Over half said they would increase the amount they give to charity. A similar idea in the USA has proved successful. Schwab Charitable, one of the largest providers of charity accounts, saw a 23% increase in donations to charities in the last financial year.

Over 150,000 tax-effective charity accounts already exist in the UK with specialist providers, such as C. Hoare and Co, Coutts and Co. and the Charities Aid Foundation. Through them £190m is given to charity each year, which while sizeable may temper expectations of a revolution in

giving if more high street banks were able to offer such charity accounts.

Most recently the movement to encourage more philanthropy among HNWI's has been boosted by the City itself as it responds to the growing and very public outrage at the inequities in society which has spilled onto the streets in its own neighbourhood.

There are indications of a new mood in the City and a number of recent actions that suggest how it might act differently in the future.

Recently Ken Costa, the former chairman of Lazard's International, has been charged by the Church of

⁶ Charity Bank Accounts: The Opportunity for UK Retail Banks, The Philanthropy Review and Accenture, July 2011
<http://www.philanthropyreview.co.uk/Charity%20Bank%20Accounts%20-%20The%20Opportunity%20for%20UK%20Retail%20Banks%20-%20July%202011.pdf>

England with reconnecting “*the financial with the ethical*”. In this role he has demanded that the City rediscover its ‘moral compass’.

At the same time Barclay’s chief executive Bob Diamond, one of the highest paid bankers in the City, has called time on the ‘greed is good’ culture with hardball action: he has introduced what he calls ‘the no-jerk rule’ and has encouraged at least 40 executives at his firm to find jobs elsewhere after “*behaving like jerks*” or spending lavish amounts of money at a time when much of the rest of the country is struggling.

These top down actions may not result in more philanthropy per se, but they establish a new context, indicate a new mood and show the City’s leaders are challenging old ideals. New concepts such as ‘caring capitalism’ and ‘ethical banking’ are being discussed in the City among even the most hard-nosed Friedman followers.

And when coupled with the ‘bottom-up’ actions now in train, there are grounds for tentative optimism that philanthropy may take hold again.

City philanthropy’s next generation

A new generation of City workers fresh from university have shown they are not prepared to wait for a slow evolution and are getting on with creating the kind of City in which they want to work.

The recent launch of two organisations is pointing to a new

appetite for ethics, social responsibility and philanthropy among the next generation of bankers and financiers.

Last November, the Young Philanthropy Syndicate (see page 13) launched with the aim of encouraging young professionals into philanthropy with the support of an experienced philanthropist or business leader.

In the same month, a group of Oxford University students started the 80,000 Hours campaign (referencing the average amount of hours we work in a life time) to encourage young people to give 10% of their time or money to good causes during the length of their working careers.

The campaign also encourages young people to choose high impact ethical careers that will enhance their ability to further good causes. Founder Will Crouch, a DPhil student in ethics, suggests controversially that becoming a high-earning banker with a social conscience is more impactful than being a poorly paid aid worker: “*Everyone knows that when you go into a high-earning career you can earn absurdly large amounts of money. An average banker might earn about £6m over a 30-year career.*

“When we see that number we get just as angry about bankers’ bonuses as anyone else, but we also see an opportunity. Say you decided to donate about half of that. You’d still be immensely well-off. But you would also be giving a lot: enough to employ several doctors in the developing world, or even to set up a charity to do almost anything you like!”

It’s not a view that has been wholly accepted but it is one that challenges the status quo.

Another group of young City highfliers are also hard at work re-imagining a City of which they can be proud. TheCityUK, an independent membership body that promotes the FSI at home and abroad, has convened a committee of 20 people from retail and wholesale banking, insurance, asset management, business schools, and from the professional services to define the sector they want in place when their time comes to lead it – to create their vision of what the sector can be in 10 to 15 years. The Next Generation Vision’s (NGV, www.nextgenerationvision.co.uk) aim is ‘to be a part of society not apart from society’.

Among the themes it will consider is how philanthropy could play a part in the early careers of City workers.

With this kind of push from the next generation, the show of leadership from City elders and a strong political and economic wind behind them, it’s just possible the scene is set for the Square Mile to return to its roots as a philanthropy powerhouse – not as a ‘white-washing’ exercise but because it makes real sense for those companies promoting it and those individuals partaking in it.

As former Lloyds chairman Victor Blank said in a recent article:⁷ “*Philanthropy on its own will not – and should not – restore the damage to the reputation of banks or rebuild their moral capital: the scale of that task should not be under-estimated. But, along with commitment to best business values, it has a part to play for companies wanting to regain the trust and respect of communities in which they operate.*”

⁷ Charity Bank Accounts: The Opportunity for UK Retail Banks, The Philanthropy Review and Accenture, July 2011
<http://www.philanthropyreview.co.uk/Charity%20Bank%20Accounts%20-%20The%20Opportunity%20for%20UK%20Retail%20Banks%20-%20July%202011.pdf>

Michael Harris (third from left) and Adam Pike (far right) at the launch of Young Philanthropy, with Lloyd Dorfman CBE (centre)



Young Philanthropy

In early 2011, Michael Harris and Adam Pike founded YoungPhilanthropy.org.uk – a new initiative to introduce young professionals to a career of giving and a future as leading philanthropists. One year on, they have established a new model for young philanthropy and it is spreading across the city... Michael and Adam tell us more:

“In 2010, we watched Bill Gates and Warren Buffett, two of the world’s richest men, announce the Giving Pledge; an effort to invite billionaires to give away the majority of their wealth to good causes.

At the time, we had both just made the transition from youth work to jobs in the City. As recent graduates, we had limited resources but wanted to continue to contribute in a meaningful way and impact on the causes we cared about.

We spoke with friends and colleagues and were not surprised to hear of their passion on many issues with ideas to match. However, we lacked the means and platform to influence and create a positive lasting impact. It became clear that as a group we possessed significant collective wealth, energy and experience that had not been mobilised by existing funding models.

With this in mind we devised the concept of a Young Philanthropy Syndicate; a new platform that enables

young professionals to form a syndicate that invests in a niche charity project, with the support of an experienced philanthropist. With their financial support, guidance and experience, the impact of the investment and experience of philanthropy is enhanced.

In partnership with the Charities Aid Foundation (CAF), we devised a unique and cost-effective platform for new founders to set up and manage their own Syndicates. Three pilots have been established, each investing approximately £7,000 in a chosen cause. Five more firms have signed up to set up pilot Syndicates of their own.

Our vision is to become recognised as the key driver of young philanthropy in the UK, to represent a multitude of

Syndicates across the UK and to become renowned for the quality of our Young Philanthropy Networking events. By the end of 2012, we aim to have over 15 Young Philanthropy Syndicates up and running, with an investment portfolio of over £100,000.

We see each new Young Philanthropy Syndicate as a Giving Pledge in its own right; a commitment to invest in a niche initiative that will transform people’s lives.”

For more information, you can e-mail Michael and Adam at yp@youngphilanthropy.org.uk

Michael Harris is an Associate in Tax at PwC, Adam Pike is a Management Consultant at Deloitte.

Case study: Tom Hughes-Hallett

Tom Hughes-Hallett, who is stepping down after 12 years as chief executive of Marie Curie Cancer Care to devote more time to encouraging philanthropy, previously enjoyed a 25-year career in the City, latterly running Fleming's global securities business. Since he first had contact with the charity world, Tom's passion and level of involvement has grown ever greater.

Following the takeover of Flemings by Chase Manhattan in 2000, Tom was faced with a dilemma: "I was suddenly confronted by the fact that I probably didn't have to work again, but I was 47 and full of energy." A move to a full-time role in the charity sector seemed the ideal solution: "My wife said to me, 'Why don't you make the evening job the day job, because you seem to enjoy it a lot more than the day job?'"

Although he is clearly driven by his passion for the causes he supports, Tom is also pragmatic and admits that his awareness of the tax incentives for charitable donations has added an extra impetus to his giving. "There was no question that I was to some extent tax driven in my motives. Particularly with the money that I was getting in bonuses and then the money I got when Chase took us over, the sheer pleasure of being able to direct it myself rather than giving it all to the Chancellor was a motivating factor."

As well as his full-time role with Marie Curie, and his non-executive roles with GOSH and the Michael Palin Centre, Tom has set up a family charitable trust – the Emily Hughes-Hallett Trust, named in memory of his daughter. Because of the diversity of his charitable

activities, Tom gives in a wide range of ways. He gives his time, energies and expertise to Marie Curie through his day job, and to GOSH and the Michael Palin Centre through his board roles with both. In terms of giving money, he mainly uses the Emily Hughes-Hallett Trust. In addition, Tom gives shares every year to add more money to the pot, using his own rough formula to calculate how much: "Each year we look at the performance of my own investments the previous year and if the mark to market is higher than the previous year I will give away that amount of money into the foundation... if the portfolio goes up from x to $1.1x$, I give away $0.1x$ in shares."

He sees this as an efficient and long term way to keep his philanthropic capital coming: "If you like it is painless when the market keeps going up, because it is not money I've ever had. It is incredibly tax efficient because then there's no capital gains tax paid and I offset it against income tax." And this calculation of how much to give has a crucial result: "It creates fun, because it is fun giving away money. Something we don't talk about enough in this country. It is fun!"

An important aspect of philanthropy for Tom is the potential he sees for showing his peers how and why getting involved with charities can be rewarding: "I talk quite a lot to City people about jumping ship, so I probably see someone every month... I do talk a lot about the Emily Hughes-Hallett Trust to my friends, particularly the ones who've been lucky as well."

However, he admits that there can be difficulties when trying to be open about philanthropy. "I don't think any

of my friends have any idea of the magnitude of what I've given away and nor do I have any idea of the magnitude of what they have given away. That is a pity, in a way. There must be some clever way of doing it, without us all feeling shy and embarrassed." Tom thinks it might help if the focus were more on the causes people believed in, rather than the amounts being given. "If I wanted to try through my own experience to put pressure on my friends, rather than saying, 'I've given away...', I could say, 'The Michael Palin Centre is the most important thing in my life and two years ago I helped to keep it afloat, and I regularly give a percentage of my income to it.'"

However, he does offer a note of caution. In the development of the "market intelligence" sector for charities we must remember that the two are not the same: "The difference between being a fund manager and someone who's giving their money away is that in the latter case there is the personal emotion."



Case study: Allen & Overy SmartStart

The Prince of Wales Seeing is Believing programme was a key element of the inspiration for international law firm Allen & Overy's project SmartStart. Its aim is to increase the employability of young people and also to create a more diverse City workforce by encouraging employees from non-traditional backgrounds – thereby tackling a business critical issue for the legal profession.

SmartStart began as a three-day workshop for 100 young people. Over the last three years the scheme has become a company institution and one that delivers a real return on investment. Now the programme involves a week-long programme of workshops for over 120 young people followed by a year long e-mentoring and support programme, Smarter Futures, and a bursary scheme.

Chris Marshall, the firm's Pro Bono & Community Affairs senior manager who leads the SmartStart project management committee, says the week is a highlight of the company's annual calendar. *"There is a special buzz in the building during the week. Those who take part, colleagues and students, are highly engaged and share a positive dynamic."*

He says key to the success of the programme has been having high level buy-in from Allen & Overy executives from the start. *"It can be very difficult to get people*

away from their desks. But if the global head of your business is passionate and board members are really behind a programme then it is easier to do so. A number of the partners come from non-traditional backgrounds and so see the value of the programme from a personal perspective."

Marshall says there are logistical challenges in having 120 17-year-olds in the building: *"It can get loud, but it brings vibrancy to the firm and we all get a lift."*

The programme enlists students sourced by The Brokerage City Link, a non-profit that works with City firms to engage with students from 14 to 18-years-old with a view to raising their future career aspirations. They are selected on the basis that they are the first in their family to go to university, are the recipient of free school meals, or would be unlikely to otherwise access work experience.

The core cost of the programme is around £20,000, not including the time of the 350 volunteers who contribute between one hour and one day. The firm also makes a wider investment in monitoring and evaluation and on communications. This is designed to ensure the experience is effective and continues to gain momentum amongst young people and in the corporate sector.

Marshall says as well as the ethical and moral reasons for running the programme – *"it is the right thing to do"* – there are measurable business benefits.



"Colleagues value volunteering opportunities that allow them to develop their skills and share them for the benefit of the community," he says.

The programme, which is co-delivered with a number of Allen & Overy's clients including Deutsche Bank, HSBC, GE and Lloyds Banking Group, allows people across the firm to build meaningful relationships with client colleagues that can be leveraged in the work environment.

"We see the success of SmartStart as being the impact that it has on young people's lives in terms of building their skills, their aspirations and we hope, in time, in enabling young people from non-traditional backgrounds to secure City roles."

► www.bitc.org.uk/princes_programmes/the_princes_seeing_is_believing/about_sib.html | www.alenoverly.com/smartstart

Case study: Nomura

Nomura enjoy rewards and awards from helping schoolchildren

Global investment bank Nomura acquired Lehman Brothers in 2008 and, despite community partnerships being uncommon in its home market of Japan, Nomura agreed to develop a new unique combination of educational, health and community initiatives to support the local communities where the bank operates.

In spite of all the other considerations involved in the integration, Nomura's senior management quickly recognised the value to employees of being involved in the community and made multiple commitments with a long-term approach. Nomura hired Anthony Harte to develop the bank's first Community Affairs platform and to build on the legacy of the partnerships established under Lehman Brothers, as well as expanding to new relationships.

Nomura set about with one aim, to support disadvantaged young people in the local communities where the bank operates. Nomura developed two school partnerships, a focussed fundraising campaign and the creation of the bank's first grant making vehicle, The Nomura Charitable Trust.

The implementation of the programme relied on a network of volunteers, with approximately 40% of Nomura's employee getting involved, giving more than 10,000 hours of support. Volunteer initiatives included multiple school partner programmes, business mentoring and skills workshops.



Three years on this combination of programmes has benefited more than 12,000 disadvantaged young people. Angie Sharma, Headteacher at Southwark Park Primary School, one of Nomura's partner schools, said that pupils who had help from Nomura volunteers *"have done significantly better in their reading skills in relation to the whole cohort"*.

As well as the benefits to the local community, schools and charitable organisations, Nomura continues to see evidence of the positive outcomes to its London operations. A recent survey showed that those familiar with the Community Affairs programme (77% of employees surveyed) had a five percentage point aer sense of pride in working for Nomura. The creative and interpersonal skills acquired by a proportion of the volunteers would cost at least £150,000 to develop through conventional training. These increased skills and engagement has delivered a 240% return on investment. By taking an active role in the community, Nomura's programmes are contributing to the development of a new culture within the organisation.

"If ever anyone is wondering about the value that working with school children adds strategically, all they need to do is look at the pride and engagement that is generated following a school visit, not just for those who take part, but for the numerous colleagues who hear about it," says John Phizackerley, Nomura's Chief Executive Officer, EMEA.

Nomura has been recognised through six industry awards, most notably, Nomura was awarded the Lord Mayor's Heart of the City Dragon Award in 2010 for the bank's contributions to local community activities. The award, which was a testament to the thousands of employees involved in the various programme was received from the Lord Mayor at the Mansion House in front of an audience of industry peers.



CityPhilanthropy: a new initiative from Philanthropy UK

In light of the economic and political context in which the City is now operating and recommendations of The *Give and Let Give* report and the 2010-11 Philanthropy Review, Philanthropy UK, supported by the City Bridge Trust and its trustee the City of London Corporation, is launching a new initiative that aims to promote more City philanthropy.

CityPhilanthropy, that carries the banner ‘a wealth of opportunity’, aims to encourage and support individuals to find philanthropy early on in their careers. It will support them in continuing with philanthropy and the benefits it brings throughout their working lives and onwards.

The initiative also aims to promote the City as the global capital for philanthropy, highlighting the favourable fiscal and legislative conditions that exist in the UK for those wanting to give at home or abroad (see Page 23).

We know many of the City’s most wealthy are very generous and make sizeable donations to causes about which they are passionate. Many go on to become full-time philanthropists, using the skills and knowledge that helped them accumulate their wealth to be effective and strategic in their giving.

This initiative aims to help people engage with philanthropy and enjoy the many benefits it brings at an earlier stage in their career. We hope to make philanthropy an essential part of a City career from the outset and embed giving in people’s lives. Philanthropy is not defined by the levels of wealth given but by how engaged and strategic givers are and that is one of the fundamental messages of this campaign.

Clare Thomas MBE, chief grants officer at the City of

London Corporation backed City Bridge Trust, says: *“Against a back-drop of riots, outrage at the widening gap between rich and poor, and a widespread call for the well-paid FSI sector to give more, including from many City philanthropists and leaders, we feel the initiative is timely. However, our initial research shows the City is more generous – individually and through institutional giving and CSR programmes – than most people would think.”*

“We know that most banks and City firms have active philanthropy programmes, run matched payroll giving schemes for employees, while many also encourage giving among clients, offering philanthropy advice and support. Having said that, there is no doubt the City is capable of more philanthropy and that the time is right to explore that opportunity. This initiative aims to facilitate more philanthropy and more effective philanthropy.”

The aim of CityPhilanthropy is to use the existing philanthropic infrastructures and communities in the City as a basis to extend giving across the Square Mile. By bringing these organisations and people together we believe they will become more than the sum of their parts.

The key campaign message is the opportunities philanthropy offers philanthropists. Of course, people give because they are passionate about making a difference to



causes close to their hearts; but in doing so they gain much personally and professionally – whether that's developing new skills, meeting new people or understanding life from a new perspective. We want to bring the inspiring City people already making a difference to the world to share their experiences and opportunities with a new generation of givers at events held throughout the City.

We will be working with CSR departments in City businesses, who already support giving among individuals, to act as a conduit for information on how philanthropy can enhance professional skills and working opportunities.

A new CityPhilanthropy micro-site will provide an online resource where City professionals can go to find out how to give well and in ways that will use their professional skills, as well as offering an opportunity to network and tools to make effective giving easier.

And we will be exploring new ways to give that align City skills with philanthropy, working with the likes of The Funding Network (www.thefundingnetwork.org), an organisation that provides a social setting in which people give, Dragon's Den style, to charities who make the most compelling pitches.

We believe the time is right to promote the opportunity philanthropy can bring to the giver, beneficiaries and society as a whole and make it a natural part of a City career. If you agree and want to be a part of CityPhilanthropy please contact Cheryl Chapman (cheryl@philanthropyuk.org) or James Magowan (james@acf.org.uk) or call 0207 255 4487.

Aims of CityPhilanthropy

- The realisation of the potential of companies in encouraging individual giving
- Building of philanthropy social capital (bonding, bridging and linking) in the City
- New and innovative approaches, products and services that facilitate philanthropy

This will be achieved through a series of co-ordinated actions over two years including:

- The identification of change agents / networks and building of new networks of catalysts and ambassadors
- A series of 'inspiring' events
- The development of micro-site and appropriate content for target market
- The creation of new and innovative approaches, products and services that facilitate philanthropy and payroll giving
- Exploring the creation of giving circles appropriate for City constituencies.



“City Bridge Trust is delighted to back both CityPhilanthropy and The Funding Network and their partnership is accelerating City interest in more effective philanthropy” - Billy Dove, chairman of City Bridge Trust.

Former Lord Mayor Sir Michael Bear

Philanthropy in the City: *A Lord Mayor's view*

by Sir Michael Bear

Sir Michael Bear was the 683rd Lord Mayor of London, whose one-year term began on 12 November 2010 and ended 11 November 2011. Here the former Lord Mayor gives his view of the manifold philanthropy of the City of London.

Before Lord Mayor David Wootton took over the baton, as 683rd Lord Mayor I was well aware of the City of London's long-standing commitment to philanthropy and the positive impact it continues to have on the lives of some of the most disadvantaged people living in and around the City, not to mention those living further afield: across London, the UK and indeed the world.

As plain Michael Bear, businessman and engineer, it was through working on a major regeneration project for Spitalfields in the East of the City that I first became involved in civic life: indeed the nearby Bengali community and others were the electorate that approached me and asked me to be a candidate in City elections.

So just how thriving economic areas share the benefits of their success with their neighbours is not only something I am professionally well-versed in, it is also the reason I got on the road to being Lord Mayor in the first place.

Philanthropy, of course, is a field that can be drawn very widely. A predecessor of mine, the well-known Lord Mayor Dick Whittington, famously left his estate for good works in the City, and these works included much needed 'modern' public toilets – a matter of life and death in the Middle Ages – after previously providing for almshouses,

libraries, and a ward for unmarried mothers.

At the other end of history and geography is my own youth in South Africa: giving undercover maths lessons in our family garage to youngsters from the Johannesburg townships.

In between are the many ways of philanthropic or charitable activity that City workers of today are involved in.

However, just as it operates on a personal level, philanthropy is also entwined with the history of government. Many services nowadays provided by the welfare state were formerly gifted by the wealthy or well-established – with Lord Mayor Dick Whittington being just one. The guilds and Livery Companies (see page 21), of course, have a long formed part of this tradition of aid – and today still give annually more than £40m to charitable cause, mainly education.

As a wealth-generating machine over centuries, the City has always provided not only direct employment and direct business taxes, but also allowed individuals to build large personal fortunes which many have directed to philanthropic works.

In ancient times, a sizeable portion of any City merchant's will would be "*to God and the Bridge*" and this legacy, in

David Wootton, this year's Lord Mayor, whose appeal *Fit for the Future* is aimed at creating a healthier future for all.

the form of the City Bridge Trust still maintains the five City bridges at no cost to the tax-payer, and also gives £15m+ a year to London causes. That amounts to £228m of grants over 5,800 separate projects since 1996, each one chosen with care and, uniquely, decided on in public committee.

Other wealth gifted to the City of London Corporation now forms a source of finance which we spend for the public good, most notably in funding the wholesale food markets, the Guildhall School of Music and Drama, Epping Forest, Hampstead Heath and numerous special green spaces around London, and the work of the Lord Mayor, including work for UKplc abroad.

In that sense we are carrying on the philanthropic impulses of our forebears – and providing some magnificent life-enhancing facilities for Londoners. Take Hampstead Heath, for example, a piece of wilderness inside the Tube Zone 2 that breathes fresh green air into the lives of seven million people a year – at no cost to any user or resident – but as a result of the millions the City spends on it every year.

Today, every Lord Mayor has a charitable appeal which aims to raise money during the mayoral year, and Lord Mayors take part in numerous fundraisers and events promoting charity. And the current Lord Mayor, David Wootton, is striding ahead with an imaginative appeal called *Fit for the Future* (see website www.lordmayorsappeal.org).

My experience is historic but, I hope, helpful. I believe that education and opportunity are the keys to success, and my appeal reflects this. *Bear Necessities – Building Better Lives* aims to generate significant funds to enable the vulnerable in our communities who, if given the chance could go on to find stability and lead independent lives.

The appeal unites Coram, the UK's first ever children's charity to offer better chances in life to children and young people particularly in London and across the country; and RedR, a charity that trains and provides engineers and other relief workers to respond to worldwide emergencies.

This chimes well with the City Corporation's tradition of being a very early donor to major disaster relief campaigns, enabling the Red Cross to move to quick action following disasters throughout the world. These sums are often highly-prized as they unlock resources, quickly, enabling, relief planners, for example, to book airplanes and order supplies. Recent significant donations during my time as Lord Mayor have included £25,000 to the East Africa Food Crisis and £50,000 to Japan following the recent tsunami.

Sometimes, of course, a gift needs to be greater than money. When, one year after 9/11, the City needed to show its ever-lasting solidarity with New York, a predecessor Lord Mayor, Sir Michael Oliver, arranged for a 650-pound full-sized *Bell of Hope* to be cast and sent to Ground Zero's St Paul's Chapel.



Inscribed with the message: *"To the greater glory of God and in recognition of the enduring links between the City of London and the city of New York. Forged in adversity - September 11, 2001"* that imaginative gift now rings out every time a global tragedy of any kind touches the hearts of New Yorkers.

The sound of that bell sums up the spirit of philanthropy. As John Donne, a former Dean of the City of London's St Paul's once pointed out, human beings are defined by their connection to one another. Philanthropy is a vital expression of that connection:

*"never send to know for whom the bells tolls;
it tolls for thee"*

This line is, I believe, deeply positive, because the connectivity of which is speaks helps us unlock the very best essence of our own selves.

A millennium of giving still going strong

by Cheryl Chapman

Over the last few decades tax incentives, awards, marketing campaigns, academic research, political figures and dignitaries have been focussed on one ideal - to make philanthropy a societal norm. Yet, there exists a society in the heart of the City where that is already the case.

The City's Livery Companies, effectively the first trading standards bodies, have philanthropy in their DNA. The guilds were founded on the principle of fellowship and grew from their religious connections.

One of the first charitable tasks undertaken by the early London guilds, whose roots can be traced back to 1066, was to care for members and their families in sickness and old age. Over the centuries the Livery movement has grown to become the powerhouse of philanthropy it is today. Big Society was very much alive in the middle ages.

Though Companies vary hugely in size, wealth and profile, with some having long held endowments and others relying on fundraising, they all have three missions: to promote their trades, to serve their membership and to provide charitable funds for their causes.

Through the ages individual members have emerged as generous philanthropists in their own right. Their often monumental donations, legacies and endowments have laid the foundation of much of the City of London we know today funding schools, colleges, libraries, hospitals, prisons and civic buildings at huge personal expense.

City street names – such as Milk Street, Bread Street, Ironmonger Lane, Poultry, Cloth Fair and Mason's Avenue – mark the sites where it all began.

The best known name in the Livery's history is Lord Mayor Dick Whittington, immortalised in folk tale and pantomime, a Mercer who died in 1423. Whittington left property worth at the time some £6,000 (the equivalent of many millions today) for alms houses. His legacy is one of the long-lived trusts of the Mercers' Company that exists today and has a substantial income which provides comfort and dignity for elderly people and others in need.

While the movement can look back to a rich history of giving, today's 108 Worshipful Companies are committed to continuing that tradition and make a meaningful contribution to education, health, the arts and society in general, in the City, Greater London, nationally and internationally, as a new survey shows.

Almost £42m was donated in 2011 to causes such as education, welfare and relief, the church, the environment and to trade, according to The City of London Corporation's survey carried out by The Mercers' Company last year. This is around £1m more than was donated in 2006, the last survey undertaken, and in the light of the recession and challenging economic climate reveals a stoic commitment to its historic obligation to serve others.



Alderman Sir Michael Bear, Lord Mayor of London for 2010-11, under whose tenure the survey was commissioned, says: *“The Livery Companies of the City of London represent a long tradition of commitment and philanthropy – but good that is often done by stealth. What these figures – impressive though they are - can never show is the vast impact of their work; the educational opportunities created, the vulnerable supported or the expertise and time and energy given.”*

The new statistics show some 2,500 Livery Company members are actively involved in the governance and stewardship of their charities and a further 1,591 are regular volunteers.

Education received the lion’s share of support in 2011 attracting 51% of the total figure, with 884 members volunteering in education, 464 as school or college governors.

Through governance, grant-making, volunteering and bursaries and other support they regularly support:

- 37 primary schools
- 16 preparatory schools
- 54 secondary schools
- 44 independent schools
- 11 6th form/FE colleges
- 173 university links

Greg Williams, of City of London Corporation, says the survey reveals two major trends – greater support of state school education and more giving locally.

“What’s pleasing is that more is going into education, and more state schools are being helped. Education giving is a half now, up from a third in 2006 and the numbers of schools helped now totals 102 state schools, many in greater London, and 60 independent schools. This covers a total of 105,000 children and students. Livery Companies now provide 464 school governors, an increasingly vital and onerous role.

“This swing is to education – but that should not mean the Livery is overlooking others: it still does a great deal for example for armed services organisations, churches, cadet corps, and alms houses.”

Twenty Companies currently provide 855 dwellings for 1,014 elderly residents, 620 of which are managed directly by the Companies themselves.

The full list of City Livery Companies may test the word-power of most of us with its archaic trading terms (Cordwainers, Curriers, Loriners), but it is also testament to its continued evolution. Three recent additions include The Worshipful Company of World Traders, granted Livery status in January 2000, The Information Technologists’ Company, granted livery status in 1992 and The Worshipful Company of International Bankers, granted livery status in 2004.

While the Livery Companies have a profound history they are certainly not rooted in the past. Supporting state-of-the-art academies, such as the newly opened Hammersmith Academy, as well as arts and trade centres, and employing modern processes, whether that’s using digital communication or investing socially, show it to be a modern, open-minded, forward-thinking corporation with philanthropy at its heart.

A capital idea: *London as a global centre for philanthropy*

by Stephen Lloyd, senior partner, Bates, Wells & Braithwaite

London broadly has all the infrastructure to become a global centre for philanthropy, including expertise, favourable tax and regulatory regimes and sophisticated social markets, says Stephen Lloyd. Here he presents the case for what he and other leaders see as a great opportunity for the City.

London has a global reputation for its financial centre and is one of the great cities of the world. It is also a centre for philanthropy, both home grown and from overseas donors who establish foundations here, and US, Canadian and European charities who establish subsidiaries.

The UK has a long history of establishing charities. Some of the most famous and enduring institutions in the country are charities; they include the great universities established in the Middle Ages such as Oxford, Cambridge and Edinburgh. Barts, Guys and St. Thomas's Hospitals are all long-standing foundations. And many more recently established charities have lasted for longer than most commercial companies: The National Trust, The Red Cross and Anti-Slavery Society are all over one hundred years old. This long history is the bedrock of more recent developments.

What does London have to offer the philanthropist?

Expertise

London has the confluence of professional expertise needed by philanthropists in law, accounting, banking and investment know-how.

In addition, London has an increasingly sophisticated intermediary market, with organisations like New Philanthropy Capital, and others able to provide the due diligence needed for High Net Worth individuals who wish to engage in facilitated giving. The broad range of skills and expertise within the UK sector allow also for a diversity of approaches.

The UK has also developed academic programmes focussing on philanthropy and social entrepreneurship at institutions like the Sir John Cass Business School, City of London, and the Said Business School at Oxford University, the universities of Kent and Southampton, University of Strathclyde, University of Edinburgh, and the London School of Economics and others.

Cutting edge in social investment and mission-connected investment

London is a place where donors can be creative with their money. British law recognises that charities can take account of ethical considerations when investing in certain circumstances. It also recognises – unlike some jurisdictions – that charities can engage in mission connected and mixed motive investment.



Social impact investment (SII), and social enterprise investment (SEI) are developing in the UK, with cross-party political support, and hand in hand with that the measurement of social return on investment (SROI).

There is developing support for a 'social stock exchange' in London – which is a further example of the maturing of this social market.

The British Government is supporting the establishment of Big Society Capital to use money from dormant bank and building society accounts and £200m from leading clearing banks to invest in social enterprises.

The Global Alliance for Vaccines and Immunisation (GAVI) raised US\$3 billion on the London capital markets by issuing bonds against future aid flows. This was the first of its kind.

Favourable regulatory regime

The UK has an appropriate regulatory framework through the Charity Commission and Her Majesty's Revenue & Customs which engenders confidence but without excessive control.

In particular, the UK offers a less restrictive regulatory environment than the US when operating, in particular, international development projects. So a variety of US charities such as The Carter Foundation, Technoserve, The Smile Train, International Fund for Animal Welfare,

Global Giving and many others have established UK affiliates so as to enable funds to be raised in the UK or from the European Commission for expending in developing countries in the international arena. Also High Net Worth individuals, may find that their philanthropic efforts are less hampered by regulation if based in the UK than elsewhere.

The English definition of 'charitable purposes' is wide and flexible and is not subject to any limitation that funds must be spent in the UK.

Transferring money to charitable projects anywhere in the world is easily done from the UK subject to appropriate accountability.

Favourable tax regime

In the case of the establishment of newly endowed foundations by international philanthropists, most of the funds transferred come from offshore locations so there are no tax advantages on endowing the fund, and no cost to the UK Exchequer. However, once the fund is established all interest is received tax free, charities do not pay Capital Gains Tax or Stamp Duty Land tax and are granted 80% mandatory relief from Business Rates on the occupation of property. Of course, if the charity is endowed by a UK tax payer then they get major tax write-offs on making the endowment.

*Stephen Lloyd, senior partner of
Bates, Wells and Braithwaite*



The City

London's financial markets for investing endowments are sophisticated and relatively secure.

Many international businessmen are familiar with London as a location where they already have businesses as some have floated companies on the London Stock Exchange. It is a natural development from this to consider establishing a foundation in London. City professionals have the skills to advise philanthropists on a variety of issues including investment and giving.

London is seen as an attractive city to work from because of its position on international time zones, good communications and because English is very much the language of business.

Alderman Roger Gifford of the City Corporation is UK Country Manager of Skandinaviska Enskilda Bank. He is a firm supporter of The Funding Network and is working to support the City of London as a centre for global philanthropy. More details will be announced in the future.

London and social finance

There is increasing interest in using the dynamism and tools of capitalism to achieve social outcomes. This is demonstrated in the development of social enterprises in the UK and abroad.

If we are to tackle many of the major problems facing the world we need new ways to harness social commitment and finance to achieve them. In the UK the government's desire to switch to 'payments by results' contracts is driving much greater awareness of the need for organisations to measure and prove social impact. A number of institutions are leading on this. At the same time contractors will need financial support and the UK has just seen the launch of the first Social Impact Bond. The government is looking at four more pilots. Many more are expected. In the United States the Obama administration has placed a line of \$100m in the US Budget for Social Impact Bonds. There are a number of projects now in design – in particular the World Sanitation Programme which is a systems based outcome process with a broad collaboration of players including McKinsey.

In Europe Luxembourg has revised its investment law to create the legal framework for more sophisticated investments as seen in the PricewaterhouseCoopers Report *The Third Sphere* – In particular see European Social Fund for South East Europe.

Conclusion

London broadly has all the infrastructure to be a global centre for philanthropy. However, it does not advertise this – we believe this is a great opportunity that the City of London could develop.



Secondly more needs to be done to ensure that the developing social investment market is captured by London. This requires coordination between Government and the City to ensure that any necessary reforms are undertaken swiftly to ensure that this opportunity is seized.

Stephen Lloyd, senior partner of Bates, Wells & Braithwaite, acts for a large number of leading charitable and not-for-profit organisations on a wide range of matters, including financing, constitutional, contract, intellectual property and charity law. He is chairman of Centre for Innovation in Voluntary Action, Charity and Social Enterprise Insurance Management LLP, Trustees UnLimited LLP. He is also a trustee of The Rainmaker Trust and director of Social Stock Exchange Limited and Naturally Scientific Limited.

Lloyd has written many reference books including Barclays Guide to the Law for the Small Business (1990), Charities, Trading and the Law (1995 and co-author 2008 edition), Fundraiser's Guide to the Law (2000) and Keeping it Legal (2003, with Social Enterprise London) and co-author of Charities – The New Law 2006 (2007).

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Alexander Hoare, managing partner and former chief executive,
an 11th generation member of the banking dynasty



The notable philanthropy of Hoare's Bank

by Cheryl Chapman

Philanthropy has been a hallmark of England's oldest privately owned bank C. Hoare & Co for nearly 300 years.

Hoare's Bank's deep-seated charitable tradition was established by founding father Sir Richard Hoare who started his goldsmith business at the sign of the Golden Bottle in Cheapside, London in 1672. It grew naturally into a private banking business that thrived under Sir Richard's careful stewardship and Protestant work ethic. A deeply religious man and highly involved in public duty, Sir Richard was the first of three generations of the Hoare family to hold the office of Lord Mayor. As well as an appetite for good works throughout his life, on his death in 1719 he made many notable charitable bequests including £200 to allow the Goldsmiths Company to provide annuities for eight poor widows of freemen, and £100 to Christ's Hospital.

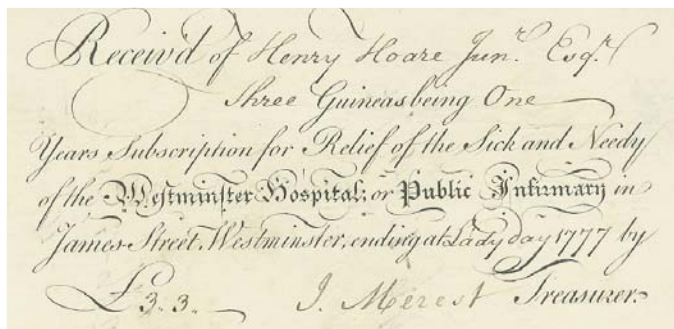
Today, from the oak-panelled offices of the Fleet Street premises that have been home to the private independent Bank since 1690, managing partner and former chief executive Alexander Hoare, an 11th generation member of the banking dynasty and one of seven current partners, confirms a charitable tradition handed down through the centuries: "Philanthropy has always been part and parcel of the family business. It is in our DNA. We are not a business that exists to make the

maximum profit and are not answerable to external shareholders, so we are not pressed to meet any short-term profit objectives. We believe in sustainability and in doing the right thing. There is a social point to our business."

Today the Bank provides a full range of personal services and advice to its clients, typically High Net Worth individuals and families, around whose needs the business revolves. Philanthropy advice is an important part of that and Alexander Hoare can offer advice based on personal experience being a passionate supporter of many causes.

The greatest enjoyment of philanthropy says Hoare is the "unique perspective" it brings to his life. "You may expect some returns from giving money to charity but it is the unexpected returns that make it so enjoyable. Put simply philanthropy enriches one's life and in often unpredictable ways. It brings a new standpoint."

Hoare is a keen advocate of microfinance, a supporter of venture philanthropy through Impetus Trust and of social entrepreneurship through Ashoka. As well as allowing him to indulge a passion for travelling off the





Sir Richard Hoare, founder of C. Hoare & Co
and Lord Mayor of London in 1712
Picture courtesy of Hoare's Bank

beaten track, microfinance and social investment align his banking experience with his social aspirations.

“Lending to a businessman in London or a villager in Malawi is very similar. You have to be sure you can trust the person and trust that they will use the money wisely. You ask very similar questions of both,” says Hoare.

Trust is a watchword for the family business and with good reason. The bank operates uniquely with unlimited liability. *“We are liable for every decision we make and it elicits an air of caution and accountability. I would like to see more banks operate in this manner,”* explains Hoare.

Trust between client and advisor means the topic of philanthropy is one that is raised naturally. *“We know when the time is right to begin exploring philanthropy*

with a client. They might be looking to align their passions with their portfolios or are concerned about the next generation and how wealth might be used responsibly and as a way to instil family values.”

And when the subject is raised the whole tenet of a meeting changes, says Hoare. *“The length of a meeting doubles, while passion more than doubles. It is often when we find out what really motivates our clients. It certainly deepens the relationship.”*

The Bank's own philanthropic mission is carried out through The Golden Bottle Trust (GBT), referred to as the bank's 'eighth partner' and a nod to the sign that hung outside the original business. It was established by the partners of the Bank in 1985, and its present value of £8.34m has been built by way of charitable donations from the Bank, although very occasionally the Trust accepts donations from third parties.

In 2010 Hoare's Bank donated £310,000 to the GBT, which in turn donated £698,000 to good causes including £71,000 to its matched Give As You Earn scheme that engages 37% of staff – philanthropy is encouraged and practised at all levels. Last year £1m was given, taking the total donated to £8.7m.

The Trust supports a wide range of causes including arts, community, education, environment and wildlife, health, and a special interest in microfinance and the developing world – reflecting an 'ahead of the curve' approach to philanthropy that goes back to the Bank's roots.

'Good Henry', son of bank founder Sir Richard, and so called because of his prolific charitable work, was one of the first to exploit the idea of subscription giving, a concept borrowed from the booming joint stock trade of

the 18th century. In 1716, along with several other 'well disposed gentleman' Good Henry established the Westminster Charitable Society, which for the first time aimed to provide better healthcare for the sick poor, out of which emerged Westminster Infirmary, the first hospital in England to be maintained entirely by voluntary subscription.

The family trait for bold philanthropy continues with the latest Hoare generation being one of the first to explore social investment. The Trust is among the charitable funding pioneers investing in the Social Impact Bond launched in 2010 by The Ministry of Justice and Social Finance, hoped to be a 'revolutionary' model solution to some of society's most intractable problems. Invested money funds interventions at Peterborough Prison that aim to cut recidivism, delivering a blend of social and financial returns that pays investors on results achieved.

“Giving in a sustainable way is where things get interesting,” says Hoare. *“Deploying capital in a way that allows investment to be recycled makes good sense to us. It's a strategic approach and aligns our sustainable business ideology with our philanthropic activity,”* he adds.

C Hoare & Co attributes its success and longevity to a commitment to personal service and the virtues of quality, integrity and reliability, of which philanthropy plays a key part.

“It has stood us in good stead. In fact, the more we have given the luckier we have been,” says Hoare.

► www.hoaresbank.co.uk

My philanthropic journey

Value in numbers... *by Charlie Green, a founder and director of the Private Equity Foundation*



"I first got seriously into philanthropy back in 2006 when a group of friends from within the Private Equity world mooted the idea of forming an industry foundation.

We had been approached by a major national charity to see if we would organise a fundraising dinner for them but instead, felt that the private equity community could give as much by offering its expertise, as well as by donating money. We felt we'd achieve far more collectively than any of us could as individuals and we wanted a far more meaningful personal relationship with the sector than simply signing cheques and hearing no more.

The opportunity was there. We all knew from our previous dealings with charities that although many organisations have hugely inspiring leadership and great interventions, they are often small-scale and under-capitalised. The best way for us to contribute would be to use both our money and business skills to enable small to medium-sized charities with best-in-class programmes to scale up and grow their operations on a sustainable basis.

There was no value we could add to the charities' work on the ground – their compassion or their understanding of their mission – but we could support them to become

bigger and better at what they were already doing and deliver far more impact.

It didn't take us long to realise that we would need a chief executive and Shaks Ghosh, previously chief executive of homeless charity Crisis for 10 years, was appointed. Her raison d'être is social change so she encouraged us to take the venture philanthropy model a step further: to identify a specific mission and to aim to move the needle on that issue to make a real difference.

Our answer was to concentrate on empowering young people to reach their full potential. Within this, NEETs (young people not in education, employment or training) hit a chord. We were very aware that many young people in this country have been left behind by the global economy and are faced with a severe poverty of opportunity. In private equity, we work in a meritocratic environment and we found it inequitable on every level that many young people were unable to realise their full potential because of their particular circumstances.

There's no question that the NEET issue is a complex problem, without a silver bullet, so building up a portfolio of the best charities in the space, across a broad range of

interventions, such as literacy and numeracy, mental health, family support and wider skills training, and spanning 4 to 24 year olds, seemed to make sense.

That was five years ago and I've been on a huge and enormously rewarding learning curve ever since. We've been fortunate to be involved every step of the way, from searching and evaluating high potential charities, to building relationships with charity management teams and then monitoring and supporting the growth of our portfolio charities.

I've been incredibly privileged and proud for instance to have worked closely with Fairbridge, helping the organisation with specific initiatives such as improving its measurement of outcomes and driving more value from its outstanding database. I also found myself unable to resist the invitation of its CEO to run the New York marathon with him in 2008, personally raising c.£40k for the charity and then, best of all, sponsoring one of Fairbridge's young people to run in the same race the following year.

In fact, the relationship between the Private Equity Foundation (PEF) and Fairbridge offers a great illustration of the power of PEF's model. A number of individuals from different private equity, law, consultancy and accounting firms formed a team and provided a huge amount of professional advice and support on a pro bono basis to Fairbridge on its recent merger and integration with the Prince's Trust. It not only made the deal much easier (and, perhaps, possible) for the two management teams to consummate, it gave them much more confidence that it was the right deal to do.

Given the combination of some great financial and analytical minds amongst the trustees on one hand and Shaks' and her fabulous team's experience and knowledge of charities, education and social issues on the other – a veritable double helix of DNA within the organisation – we have also used our financial skills and experience to develop and promote social impact investment structures for our portfolio charities. Our work in this area has seen PEF recently being awarded the first investment from Big

Society Capital. I have found myself speaking at the Sunday Times Festival of Education (which my former teachers would find surprising, if not ironic), a regular visitor to roundtable discussions at the Cabinet Office and even to 10 Downing Street, where we try to promote the vision and explain the practicalities of creating a new social investment market.

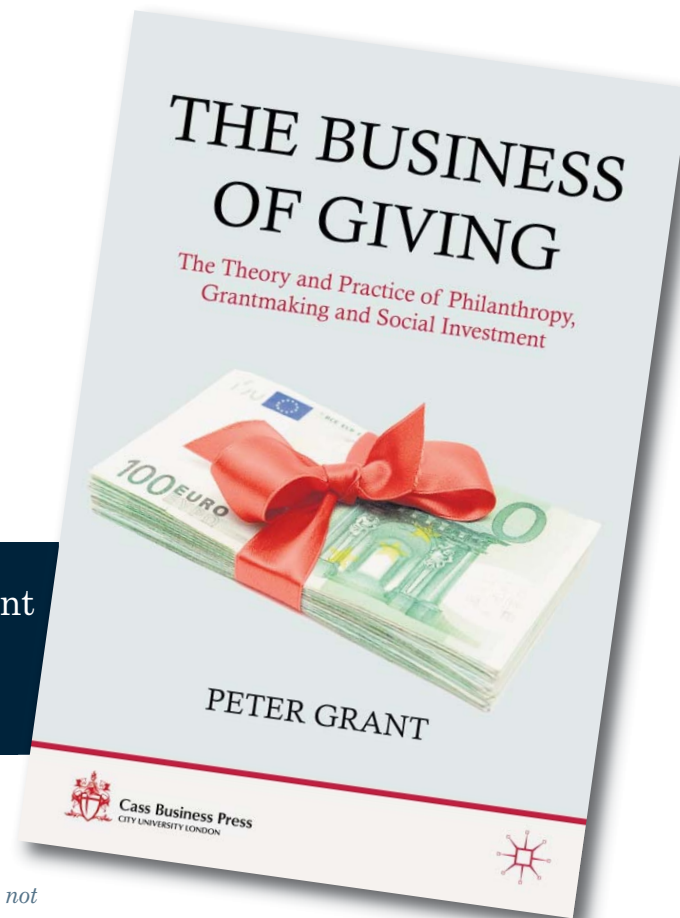
So my advice to others in the City who might think that their world is too far apart from the charity sector, is to take what is a surprisingly small step to cross the divide. My experience is that there is a huge amount both sides can learn from the other, some great friendships to be made, as well as being one of the most personally rewarding and enriching experiences you could want. You'll be as surprised by what you can give as well as what you take away."

Charlie Green is a founder and director of the Private Equity Foundation and leads its work on social investing. He is currently a non-executive director of several small businesses for whom he has raised new growth capital. He was previously a partner of Candover, a private equity firm, and prior to that a director of Morgan Grenfell and Deutsche Bank.

Publications, reviews and notices

review

by Dr Beth Breeze, publications editor



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 available to customers in the USA, Canada or Australia*

***The Business of Giving: The Theory and
 Practice of Philanthropy, Grantmaking and
 Social Investment***

Peter Grant

Basingstoke: Palgrave Macmillan, January 2012.
 280pp. Hardcover. ISBN 978-0230336797 £26.00

By virtue of being a British-authored book about philanthropy, this book is likely to endear itself to the readership of Philanthropy UK before the first page has even been turned, as the number of books of similar provenance is so pitifully low. However, the appropriately-named author, Peter Grant, resists the urge to over-play his Union Jack-patterned trump card, and instead incorporates ideas, example and references from across the globe, including notably – if predictably – from the USA.

This book further distinguishes itself by being solely concerned with the processes and management of grantmaking, as the author says upfront:

“Unlike some books about philanthropy, it will not tell you what field or what type of organisation to fund... What it will do is tell you how best to fund it once you’ve made that choice”.

Grant’s central premise is that philanthropy (or ‘social investment’ as it is often termed within the text), “is a process-related business that can be analysed like any

other". He argues that the contemporary philanthropy sector is overly focused on helping donors to develop a philanthropic strategy (for example choosing which areas to fund) at the expense of helping funders to operationalise that strategy. Yet having a robust philanthropic process in place to guide the implementation of giving decisions is described as 'essential' in order to achieve social change and to ensure "the maximum impact at the minimum cost to the funders resources".

Grant knows of what he writes. He spent 20 years helping to allocate over £5 billion of philanthropic funding, largely in his time working for the grantmaking arm of the UK's National Lottery, and he continues to advise foundations and lead a unique Masters course on grantmaking at Cass Business School in London. Whilst this is an undeniably impressive career that ensures authorial credibility, it does influence the book's focus, which is largely about formal philanthropic institutions (i.e. professional charitable trusts and foundations) rather than informal, personal philanthropic giving. As such it may be of greater value to foundation staff rather than individual philanthropists. That said, all inhabitants of Planet Philanthropy will find much useful food for thought, as Grant offers interesting riffs on a number of pressing questions, such as whether there is anything new about 'new' or 'venture' philanthropy.

The bulk of the book involves describing and illustrating a wide range of concepts, models and ideas from the business world that – it is argued – can be applied to improve philanthropic processes and outcomes. For example, logic frameworks, or 'logframes', are analytical tools used for planning, monitoring and evaluation, which

set out the logical linkages that connect the means and ends of a project. Grant acknowledges the inherent difficulties in applying such a model to philanthropic initiatives, such as quantifying intangible outcomes (how does one measure enhanced self esteem amongst young people or a 'better death' amongst hospice users?) and the problem of taking adequate account of external factors (such as changes in government policy or the input of other funders) that simultaneously influence the outcomes being pursued. But Grant remains firm that, "Despite the many difficulties in the utilisation of logical models, they are... a key essential if a funder wants to design a programme to bring about social change". Likewise, the book is unapologetic in arguing that business principles have a place in philanthropy because, "good management is good management in whatever sector one is working and good governance is essential and has similar characteristics in all areas".

Whilst it makes sense that what Grant terms, 'thinking funders' can achieve better philanthropic processes and outcomes, this approach involves potentially problematic assumptions that philanthropy is about 'thinking' rather than 'feeling', and that funding decisions are solely concerned with creating external change. An exclusive focus on the impact that philanthropy can have in the wider world, risks overlooking an arguably equally important aspect – and driver - of philanthropic activity, which is the change it can bring about in the donor's own life. No doubt some givers are solely concerned with solving a social problem, but a great many donors are also hoping to put their money to some use in a way they will find personally enjoyable and rewarding. Whilst Grant does not dispute this – and could reasonably argue that donor benefit is the subject of another book – it is possible

that philanthropic processes that do not incorporate donors' needs will be ultimately less successful because they impair the virtuous cycle of giving-enjoyment-giving again. Without wishing to labour the point, this book views philanthropy as a 'business' (as its title makes clear), yet philanthropy is also about morals, values, emotions and identity work: the 'optimal' funding model may be one that is aligned with the donor's worldview (for example funding a faith-based organisation or saving a beloved work of art for the nation), rather than the most 'effective' grant that achieves the biggest impact.

But perhaps this is the typical quibble of a social scientist (me) with someone working in a business school (Grant), and it in no way shakes my contention that this is a useful addition to anyone's philanthropic bookshelf. There is increasing acceptance that all types of funders ought to understand standard business processes such as strategic planning, performance management, risk assessment and evaluation. This book not only supplies a clear, readable guide to these topics and many more, it does so from the pen of one of the UK's most experienced grantmakers. An entirely cheese-free piece of home-grown wisdom is surely cause for celebration and book buying.

Declaration of interest: The author is known to the reviewer in a professional context (they are both involved in the Voluntary Action History Society, and are guest lecturing on each other's university courses). Whilst this interaction is not surprising given the small size of the philanthropy sector in the UK, Philanthropy UK believes it is important to be transparent about such issues.

In each newsletter, Philanthropy UK invites an influential person from the philanthropy sector to tell us what books have most inspired and shaped their approach to philanthropy.

Influential reading: *Michael Moody*

Our 'influential reader' in this edition is Dr Michael Moody, Frey Chair for Family Foundations and Philanthropy at Grand Valley State University in Michigan, USA. With Robert L. Payton he wrote *Understanding Philanthropy: Its Meaning and Mission*, a book highlighting the vital but often neglected importance of philanthropy in our lives, and outlining a conceptual framework for thinking about the role philanthropy plays in any society.

Michael says:

"Philanthropy is messy. There are plenty of ethical grey areas in philanthropic practice, and the boundaries around what is philanthropy and what is something else are blurry, and the terms and concepts we use to understand this messiness are diverse, ill-defined, and constantly disputed.

I generally have a pretty high tolerance for messiness – even embrace it at times – but everyone can use a good clarifying idea once in a while. Each of the three books that I have chosen have been the source of at least one illuminating concept that helps me make better sense of the messy reality of philanthropy.

*The first is the most fundamental: a definition of 'philanthropy' itself, and a convincing argument for using that as our umbrella term. Robert Payton, who was mentor to me and many others, passed away in 2011 after a distinguished career as a foundation executive, university president, ambassador, and founding visionary for the Center on Philanthropy at Indiana University. He published a collection of essays in 1988 with his preferred definition of his preferred term in the title: **Philanthropy: Voluntary Action for the Public Good.***

Michael Moody



At the time of publication, scholarship about philanthropy was still in its infancy, and there was even less agreement than now about this 'field' or 'sector' (voluntary, nonprofit, charitable, whatever) as a field or sector. In engaging essays (he had been a journalist, too), Payton argued for 'philanthropy' as a broad, affirmative concept that could best stand alongside 'government' and 'business' and that could best capture the rich and welcome diversity of activity and organisations that should properly be included under the umbrella.

Payton's definition of "voluntary action for the public good" was meant to be inclusive but also precise, to highlight the fact that philanthropy was about self-organised interventions in the world, and about explicitly moral interventions in pursuit of a vision of the good. He argued that an ancient term like philanthropy should encompass voluntary giving, voluntary service, and voluntary associations, because these three elements are closely integrated in practice, and because philanthropy is diminished if we think it is just about money.

*The second book, published in 1973, has a wonderful title: **The Economy of Love and Fear**, and was written by Kenneth Boulding, a British-born and educated economist who lived most of his life as a professor and influential public intellectual in the U.S.*

In the book, Boulding describes a new area of inquiry he calls 'grants economics', that attempts to explain 'one-way transfers of exchangeables' rather than the traditional two-way exchanges that social scientists had already established as key to social relations. These one-way 'grants' include certain personal transfers (e.g. paying for your children to attend university) but the most important grants are philanthropic, from giving a coin to a beggar to leaving a bequest to a charity.

In exploring the features and consequences of these one-way grants, Boulding coins the term I take away as a big, useful idea: "serial reciprocity". The term is too jargon-y, but it is an economist's way of describing what we now usually call 'giving back'. Serial reciprocity is when we 'repay' those who have done good things for us, by doing good things for others at a later date. These recipients then become givers in turn and 'pass it on' down the line in a series of future, socially beneficial one-way transfers.

Once you have this idea of serial reciprocity in your head, you begin to see it everywhere. Someone lets you merge into a lane of traffic, and you then let someone else merge when given the chance. You volunteer to mentor a disadvantaged youth and tell him "don't thank me, just do the same for someone else when you are my age". Andrew Carnegie creates libraries in hundreds of American towns after being allowed, as a poor teen, to use the library of a prominent citizen in Pittsburgh.

*The final book, **Mountains Beyond Mountains**, is written by one of the best American non-fiction writers, Tracy Kidder, about one of the most philanthropically accomplished Americans, the doctor/anthropologist Paul Farmer, who co-founded and operates an NGO called "Partners in Health."*

Farmer and his colleagues have developed a working philosophy of aid made up of shorthand nuggets of wisdom that they can turn to when the going gets tough. One of these is, for me, a constantly useful reminder of the moral purpose of philanthropy in the midst of complicated practice.

Farmer says there are times when, despite logistical difficulties or resource-constraints or considerations of cost-effectiveness, what should be done (or at least attempted and failed) is absolutely clear. He labels these 'AMCs' or 'Areas of Moral Clarity'. Partners in Health is one of the most proficient and praised providers of services in multiple countries, but Paul Farmer will still hike for hours over rough mountain paths in rural Haiti to visit a very sick patient unable to make it to the clinic. He knows it is an inefficient use of his time, but it is the right thing to do, and it is AMCs like this that keep him going."

notices

by Dr Beth Breeze, publications editor

Philanthropy in America: A history

Olivier Zunz

The history of philanthropy on this side of the Atlantic has not been written recently, but we do have David Owen's 'English Philanthropy', published in 1965, which helps us to understand how our current philanthropic landscape emerged. The Americans lacked a similar historic anchor, until the publication of this book, which seeks to explain how philanthropy became such a powerful and integral force in American society. With a focus on the twentieth-century growth of philanthropy, historian Olivier Zunz chronicles the tight connections between private giving and public affairs, and shows how this union has enlarged democracy and shaped history.

Zunz looks at the ways in which American philanthropy emerged as an open and sometimes controversial means to foster independent investigation, problem solving, and the greater good. His study ranges from the influential large-scale foundations established by tycoons such as John D. Rockefeller, Sr., to the mass mobilization of small donors by the Red Cross and March of Dimes. It includes the recent social advocacy of individuals like Bill Gates and George Soros. This book examines how giving for the betterment of all became embedded in the fabric of the USA.

Princeton University Press: Princeton, USA, 2012.
396pp. Hardback. ISBN 978-0-691-12836-8. £20.95
www.press.princeton.edu

Giving 2.0: Transform your giving and our world

Laura Arrillaga-Andreessen

As the '2.0' in the title indicates, the aim of this book is to show donors how they can become part of the next generation of philanthropists, by (according to the publishers) "*harnessing the power of technology, collaboration, innovation, advocacy, and social entrepreneurship to take their giving to the next level and beyond*".

The author has a strong track record in this field, as she founded the Silicon Valley Social Venture Fund and is well-regarded as an award-winning philanthropist. She does a service in correcting a common misconception about the relative power and importance of the mega rich and the 'ordinary' donors, as she rightly states, "*Major gifts may dominate headlines, but the majority of giving still comes from individual households*".

However, the book itself is a curious mix of a biographical and anecdotal accounts of a rather random assortment of givers whose stories are intended to illustrate the points being made in the text. The book sorely lacks is any rootedness in, or reference to, the existing literature; surprising given the author now teaches at the prestigious Californian university, Stanford. Despite its promise, there are many other better books on philanthropy, including those by the big-name academics who endorse this volume.

Jossey-Bass: San Francisco, 2011. 320pp. Hardcover.
ISBN 978-1-118-11940-2. £17.99

3D Philanthropy: Make your donors love you by connecting with their minds, hearts and souls

Fraser Green

According to the publisher: "*At the end of the day, donors are just people. And people go through their days moving between their three natural dimensions – the intellectual, the emotional and the spiritual. If we really want to connect deeply with our donors, we must learn to reach their heads, their hearts AND their souls.*"

For the first time ever, a book tells fundraisers how to connect with donors in all three dimensions. 3D Philanthropy is really a donor loyalty handbook. To understand 3D Philanthropy is to know how to build donor loyalty. Fundraisers who do that right will be the ones who prosper.

Whilst this book is not available through Amazon, it may be worth tracking it down from the Canadian publisher, as it is endorsed by the UK's giving guru, Ken Burnett, who says, "*3D Philanthropy addresses the emotional and motivational dimensions of fundraising better than any other book I know. It contains more intimate pen-portraits of donors and more analysis not just of how they think and behave, but also of how they feel and why they respond as they do. It deserves a space on every fundraiser's bookshelf.*"

Civil Sector Press: Ottawa, Canada, 2011. 186pp.
Softcover. CAN\$29.00

Inspiring local philanthropy: Making a difference in local communities

*Coutts, in association with
New Philanthropy Capital and
the Community Foundation Network*

Four out of five philanthropists support local charities, often fuelled by the desire to make a difference in the communities that matter to them.

This report highlights various ways that donors can get involved, from volunteering to funding local charities to collaborating with other funders. It also shows how donors can deepen their understanding of needs within their local area, giving snapshots of five UK regions, including key statistics and an assessment of funding gaps.

As well as being a practical guide for individuals who want to support their local communities with their giving, this report is also an inspirational piece, incorporating stories from individuals who share their experiences of local giving. These stories show that there are all sorts of opportunities for people to engage with their local area, and the rewards can be significant. When giving is done thoughtfully, even small sums of money can make a big impact and bring about real community transformation.

Coutts & Co: London, October 2011, 48 pages
www.coutts.com

Inspiring Impact: Working together for a bigger impact in the UK social sector

Tris Lumley, Benedict Rickey and Matthew Pike

This report is a summary of a debate held in September 2011, at which 30 leaders in the field of social impact measurement came together for an Impact Summit. The starting point for discussions was simple: more social organisations need help to be focused on impact, using measurement to demonstrate their achievements and improve the way they work, ultimately changing more people's lives. The participants discussed how leadership and collaboration could make social impact measurement part of everyday practice for the social sector.

The report begins by setting out the benefits of impact measurement, reviewing what it would look like in an ideal world, and explaining why now is the time to embrace it. The report identifies five factors involved in encouraging or holding back the development of impact measurement, which are: incentives, resources, capacity and skills, support available, and the way that results are used.

The authors propose making the next ten years the decade of high impact for charities, social enterprises, funders, commissioners and social investors.

New Philanthropy Capital, in association with Views, supported by NESTA: London, December 2011. 33pp. Free to download at:
<http://www.philanthropycapital.org/download/default.aspx?id=1176>

Early interventions: An economic approach to charitable giving

Iona Joy, Matthew van Poortvliet, Sarah Hedley, Benedict Rickey and Eibhlín Ní Ógáin

Philanthropic resources are scarce, yet often allocated according to personal beliefs and emotional connections. This substantial report describes an alternative model: using an economic approach to achieve better charitable funding decisions.

This report makes a compelling argument that all types of private funders can – and should – tackle difficult social problems in the UK. In particular, it focuses on three of the toughest issues: families with complex problems, children with conduct problems, and helping people with mental health problems to get and keep work.

The authors argue that private funders can play a unique role in creating change, because they can take a long term perspective and invest in tackling the root causes of problems at a time when public resources are stretched. They can fund early intervention, support unmet needs, and develop innovative solutions to social problems. As well as changing the lives of individuals and families, and improving communities, effective funding can create enormous benefits for society and the economy; but more importantly, it can help to transform the way that we as a society identify and support the most vulnerable.

Barclays Wealth, in co-operation with NPC: London, September 2011, 45 pp. Free to download at:
<http://www.philanthropycapital.org/download/default.aspx?id=1162>

Corporate giving: NPC's practical guide for corporate funders

Lena Baumgartner, Rachel Findlay and Clare Yeowart

This guide for corporate funders provides practical guidance for funders to help them make the most of their giving while at the same time meeting their strategic and business objectives. It is designed to be a useful tool for a whole range of corporate funders – from those who are new to corporate giving to experienced funders reviewing their strategies. It is a practical manual, and different sections will be relevant to funders at different stages of their giving.

The authors argue that this is a turbulent time for the voluntary sector as charities are facing severe funding cuts, while more people are in need of their help. In these difficult times, businesses can provide much-needed support to the communities in which they work. But it is more important than ever that charitable funding is spent as effectively as possible and that corporate funders understand the impact their donations have.

November 2011, 35 pp, Free to download at:
<http://www.philanthropycapital.org/download/default.aspx?id=1169>

Best to borrow? A charity guide to social investment

Benedict Rickey, Iona Joy & Sarah Hedley

Social investment is a widely-mentioned concept that is seldom fully understood. This report sets out with admirable clarity what it is (the provision of repayable finance to charities and other social organisations to generate a social return) and the conditions under which it may be an appropriate form of finance.

Social investment has the potential to deliver real benefits for many charities: it can help them scale up services, develop new projects and smooth out uneven cashflow. But this report notes that investment cannot replace the income that charities receive from donations and contracts, and that it involves significant risk. Therefore, charities need to think carefully before taking on social investment: they need to understand the risks and take steps to mitigate them, and be clear how the investment will create social benefit and improve the lives of their beneficiaries.

The authors argue that charities need to meet six basic criteria before they can take on any form of social investment: they need a future income stream, a robust business plan, good financial management, good risk management, support and scrutiny from their board, and the right corporate structure. The report reviews the products offered by 11 social investment intermediaries and identifies five key types of social investment. The report also sets out the two main areas where things can go wrong: the investment might not achieve the intended

social benefit; and the charity might not achieve the forecasted income levels needed to repay the investment.

For charities that have considered the risks fully and are confident of a future income stream, the report concludes that social investment can be an effective way to enable them to do more for the people they help.

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<http://www.philanthropycapital.org/download/default.aspx?id=1175>